

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

IN RE:  MIDAMERICAN ENERGY COMPANY	DOCKET NO. TF-03-445
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**ORDER APPROVING TARIFF WITH MODIFICATION**

(Issued March 4, 2004)

On September 26, 2003, MidAmerican Energy Company (MidAmerican) filed with the Utilities Board (Board) proposed tariff revisions, identified as TF-03-445, relating to cogeneration and small power production facilities and to alternate energy production (AEP) and small hydro facilities. MidAmerican said the changes are designed to recognize the rule changes adopted by the Board on June 27, 2003, in Docket No. RMU-03-4, and to adopt uniform tariff language, but not purchase rates, across MidAmerican's three pricing zones.

The Consumer Advocate Division of the Department of Justice (Consumer Advocate) filed an answer, response, and conditional objection on October 8, 2003. Consumer Advocate noted that the tariffs in question had been completely revised and that additional time was needed to review the filing. In order to allow adequate time for review and discovery, the Board docketed the tariff filing on October 21, 2003. The Board's order also required MidAmerican and Consumer Advocate to file a joint status report on or before December 5, 2003.

MidAmerican filed revised tariff sheets on December 4, 2003. These revised sheets reflected an agreement on tariff language between MidAmerican and Consumer Advocate. Additional changes agreed to by MidAmerican and Consumer Advocate were filed on December 15, 2003.

The Board will approve the proposed tariff, as revised by MidAmerican, with one additional change. The Board will require MidAmerican to modify sheets E-35, N-45, and S-49 as follows:

**Availability**

This rate schedule is applicable to purchases by the Company from an Alternate Energy Production facility or Small Hydro Facility as such terms are defined by Section 476.42, Iowa Code. Such facilities will be referred to in this rate schedule individually as "Facility." Purchases by the Company under this rate schedule are available pursuant to a written contract entered into by the Company and the owner or operator of the Facility that is located in the Company's Iowa electric service area. The Company shall not be required to purchase in excess of 55,200 kW of AEP generating capacity and associated energy production, or such other amount as may be required by law, for its Iowa operations for the East, North, and South Systems combined of monthly available capacity under this rate schedule.

These changes are needed to resolve a conflict with 199 IAC 15.11(1), which requires utilities to purchase at least 105 MW of AEP power. The proposed tariff language states that MidAmerican will not be required to purchase more than its share of the 105 MW. However, this language is confusing because a utility's AEP purchase obligation, while limited to its share of 105 MW pursuant to the incentive rates previously mandated by the Iowa AEP statutes and rules, is unlimited under the

Public Utilities Regulatory Policies Act of 1978 (PURPA) avoided cost rates, if the AEP is also a PURPA-qualifying facility. The modification resolves the conflict with 199 IAC 15.11(1).

**IT IS THEREFORE ORDERED:**

1. Tariff filing TF-03-445, as revised on December 4 and 15, 2003, is approved, subject to the modification discussed in this order, and further subject to complaint or investigation.
2. MidAmerican Energy Company shall file revised tariff sheets within 20 days from the date of this order to reflect the modification approved by the Board.

**UTILITIES BOARD**

/s/ Diane Munns

/s/ Mark O. Lambert

ATTEST:

/s/ Judi K. Cooper  
Executive Secretary

/s/ Elliott Smith

Dated at Des Moines, Iowa, this 4<sup>th</sup> day of March, 2004.